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SUBJECT: IAEA/2020: A LOW-RISK FORUM FOR DISCUSSING THE
IAEA'S FUTURE

REF: 08 UNVIE 598

¶11. (U) Summary: IAEA Board Vice Chair Kauppi intends to preside over informal deliberations on the long-term future of the Agency, putting to use, guardedly, the Commission of Eminent Persons report of spring 2008. Kauppi's plan entails monthly meetings on six major topics, such as nuclear power and technical cooperation (see para 5). The light schedule and open-ended nature of the process reflect Kauppi's conclusion she could do little more with 2020 than turn it into a team-building exercise for Member States, and that any substantial reconsideration of the IAEA's work will have to await signals of intention from the new U.S. administration. Mission continues to view the process as an important opportunity for the U.S. to demonstrate goodwill, leadership, and an active, multilateral approach to the future of the Agency. However, if we do not lead this process, further drift is likely. End Summary.

¶12. (U) In a January 8 meeting of the Western European and Others Group (WEOG) ambassadors, Board Vice Chair Kirsti Kauppi (Finland) outlined her plans for managing the "2020" process through the next year. Kauppi opened by warning WEOG members that the process would be different than many Member States had anticipated, and that it would be wise to lower the level of ambition and focus on the potential benefits of an inclusive and open-ended discussion between Member States.

¶13. (U) Kauppi went on to make seven points, beginning by "forbidding" further reference to the process as 2020 (given the poor reception of the Eminent Persons and 2020 reports), and asked that the process instead be called "The Future of the Agency." Kauppi's remaining six points are summarized below:

-- The process will be open, frank, and governed by Member States. The Secretariat will be represented in an auxiliary role.

-- All Member States will be invited to participated (not just Board members).

-- The two reports on The Future of the Agency (by the Commission of Eminent Persons) and Vision 2020 (by the Director General) will be treated solely as resources. (This implies that Kauppi intends to avoid referring to specific recommendations from the CEP report.)

-- There are no pre-determined outcomes or hidden agendas. The goal is not to make recommendations to the Board, though this may eventually occur.

-- This is a separate process from other, formal discussions at the IAEA (such as Technical Cooperation, the Program and

Budget Committee, etc.)

-- Discussions will take place under the aegis of the existing IAEA Statute and will not seek to change it.

¶4. (U) Kauppi also touched on operational issues, explaining that the process would begin with a general discussion, then move to each of the IAEA major programs (at a rate of one subject-matter session per month, with one-and-a-half days allotted to each). The process would wind up with another general discussion of outstanding items. As a final step, Kauppi anticipated submitting an informal report to Board Chair Ambassador Feroukhi. She would not "negotiate" the text before submission.

¶5. (U) Kauppi's overview generated little in the way of comments from the WEOG. Kauppi distributed a schedule of meetings, which are scheduled back-to-back with regular IAEA meetings, in order to facilitate attendance:

-- February 19: General discussion

-- February 26-27 or March 5-6: Nuclear Power, Fuel Cycle and Science

-- April 28-29: Nuclear Techniques for Development and Environmental Protection

-- June 18-19: Nuclear Safety and Security

-- July 9-10: Management of Technical Cooperation for Development

-- September 3-4: Nuclear Verification

-- October TBD: Policy, Management and Administration

-- November 19-20: Outstanding Issues and Agency Activities as a Whole

¶6. (SBU) In a separate meeting a day earlier, IAEA External Relations Chief Vilmos Cserveny confessed to DCM that Ambassador Kauppi intended to keep the process in a holding pattern until 2010, after the installment of a new DG. Cserveny felt the DG selection process and U.S. transition introduced too many complications this year to conduct a process aimed at binding decisions about the Agency's long-term future. Conversations with Member States from both NAM and WEOG also revealed a general reluctance to move aggressively on any process, even an "open-ended" one (reftel). Cserveny expressed the hope that a new U.S. administration would be able to enunciate a positive vision for the IAEA (and its budget) as part of a wider non-proliferation policy review. Likewise, at the conclusion of the acrimonious November Board debate on 2020, DG ElBaradei appealed for a strong U.S. role in this exercise going forward, noting the alternative is petty squabbling among IAEA missions over second tier issues.

¶7. (SBU) Comment: Ambassador Kauppi is conscious of trying to do some good in the circumspect atmosphere surrounding the process-formerly-known-as-2020. She has sought to assuage fears that the process might produce anything substantive. Instead, her emphasis has been on "feel-good" catch phrases that stress inclusiveness while minimizing commitment. The light meeting schedule reinforces the perception that this process could become more a team building exercise among Member States than a serious effort to address the "crisis" of IAEA resources and authorities to which DG ElBaradei regularly points. Nevertheless, Mission continues to view Kauppi's framework as the one forum where the U.S. can demonstrate active leadership on efforts to improve the IAEA's performance and focus over the long term. We can use the selected format of discrete issue discussions to set and present our priority areas, drawn from CEP recommendations or otherwise, in a la carte fashion. But we must have a very few, central structural reforms as the explicit goals of our interventions. These will aim at strengthening Agency

programs in nuclear security, safeguards and safety while advancing the modernization and reform of Agency processes and other programs. Septel will offer UNVIE thoughts on what this short list of big ideas might consist of, bearing in mind the expectation of ElBaradei and others that before too long the Obama administration will come to the table with its own blueprint for enhancing the IAEA's effectiveness and managing the Agency's real resource constraints. End

Comment.

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